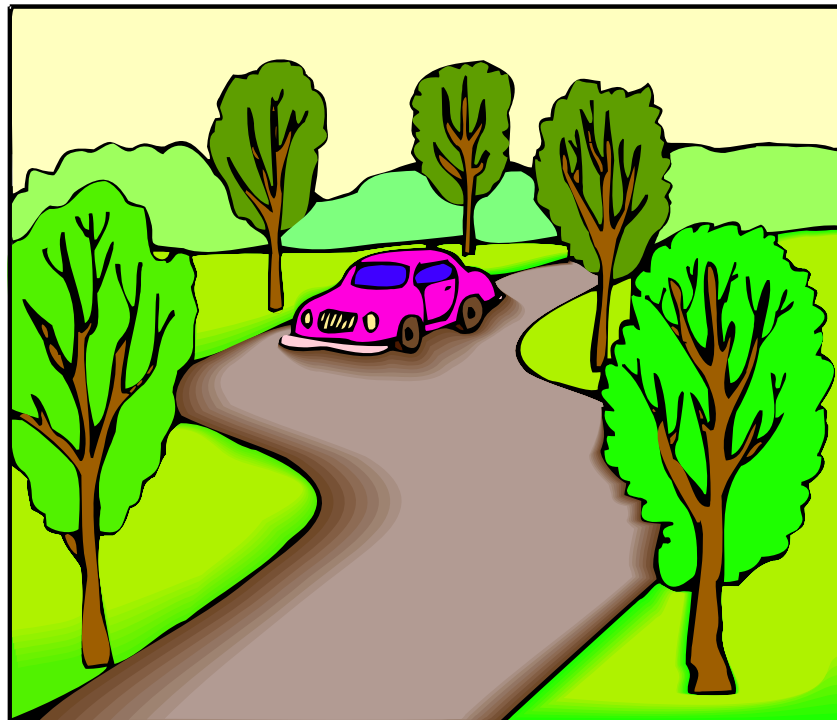


Montana Driver Education and Training

Strategies for Owning a Vehicle and Trip Planning Part I

Using the Highway Transportation System (HTS) and Purchasing Insurance



Standards and Benchmarks

1. Laws and Highway System

- a. know the laws outlined in the Montana Driver's manual
- b. understand the laws outlined in the Montana Driver's manual
- c. consistently demonstrate knowledge and understanding by responsible adherence to highway transportation system traffic laws and control devices

2. Responsibility

- a. recognize the importance of making safe and responsible decisions for owning and operating a vehicle
- d. develop habits and attitudes with regard to responsible driving

4. Vehicle Control

- a. demonstrate smooth, safe and efficient operation of a motor vehicle
- b. develop habits and attitudes relative to safe, efficient and smooth vehicle operation.

6. Risk Management

- a. understand driver risk-management principles
- b. demonstrate driver risk-management strategies
- c. develop driver risk-management habits and attitudes

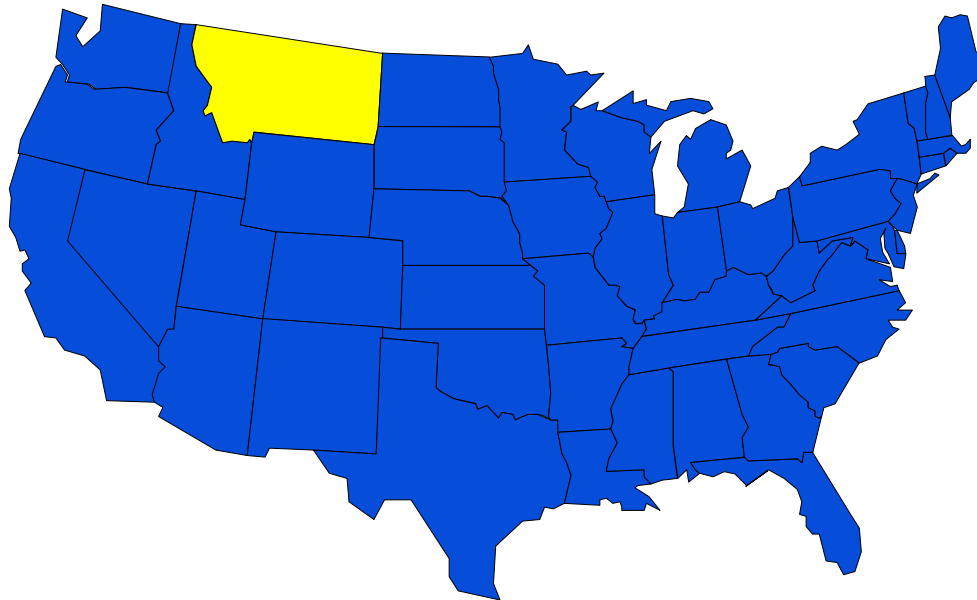
7. Lifelong Learning

- b. describe past, present and future motor vehicle laws
- e. identify opportunities for lifelong education in driving



DRIVING WITHIN THE HIGHWAY TRANSPORTATION SYSTEM (HTS)

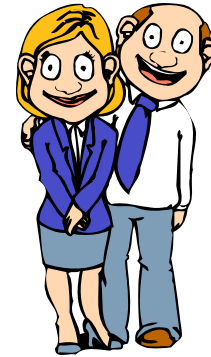
- The HTS exists for the safe, efficient and convenient/timely movement of people and goods from place to place
- This facilitation of travel and movement contributes significantly to the dynamic economy of North America



Three Components of the HTS

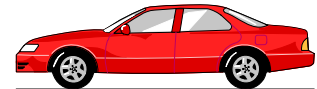
- People

- People use the HTS by walking, driving, or riding



- Vehicles

- From bicycles, cars and SUVs to tractor-trailer rigs

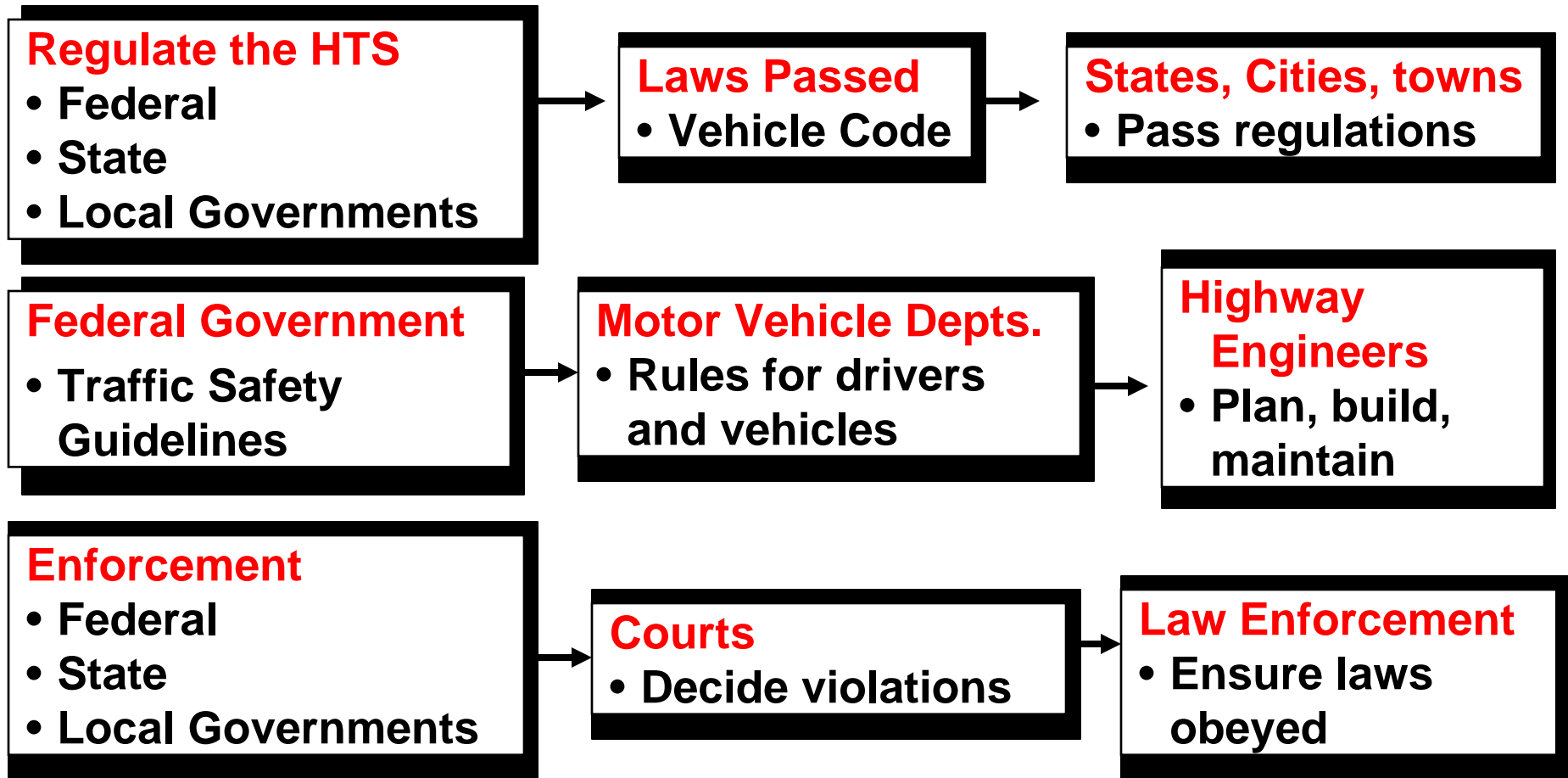


- Roadways

- From the smallest dirt road to the most complex multilane expressway
 - All signs signals and markings



Management of the HTS



Breakdown within the HTS

- A breakdown within the HTS occurs when any part of the system does not work well
- Driver behaviors can have negative consequences on the HTS
- Breakdowns cause serious problems/consequences in congestion, accidents, loss of money, injury and death
- Occasionally, the HTS breaks down because of failures in the system itself

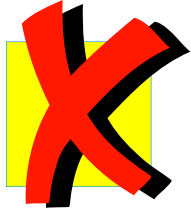


AUTOMOBILE INSURANCE

- It is in the public's best interest to make sure that people using the roads are able to pay for damages they cause to others
- Vehicle owners buy insurance to protect them from unexpected financial loss

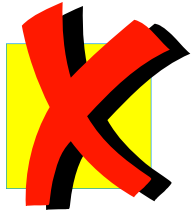


Different Types of Insurance



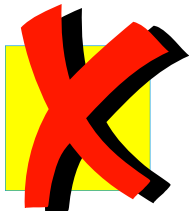
Liability

- Covers the other person's insurance assuming you are the driver and you cause a crash



Property Damage

- Covers the property damage of any vehicle involved except yours

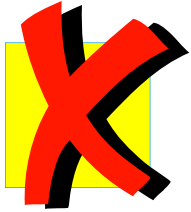


Bodily Injury

- Covers expenses for injury to anyone involved in the crash other than you, up to the limit of coverage

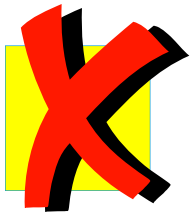


Different Types of Insurance



Collision

- Covers the cost to repair damage to your vehicle if you are in a collision regardless of who caused the accident; a deductible usually applies

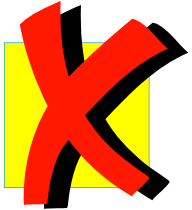


Comprehensive

- Covers the cost to repair damage to your vehicle by causes other than collision, such as fire, vandalism, theft of part or all of your vehicle, and colliding with a bird or animal; a deductible usually applies

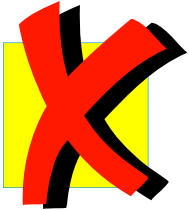


Different Types of Insurance



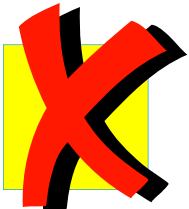
Medical

- Covers you and your occupants in your vehicle who are injured in an accident; does not usually cover time loss from work



Towing and Road Service

- Covers towing and road service if the vehicle is disabled; usually only covers the cost of labor at the scene

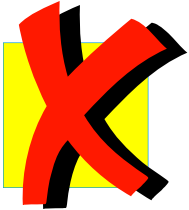


Rental

- Covers the cost of renting a vehicle while your vehicle is being repaired; usually covers up to a certain amount per day and for a maximum number of days

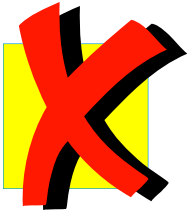


Different Types of Insurance



Uninsured/Underinsured Motorist

- Covers you and occupants of your vehicle who are injured if the other driver caused the crash and does not have liability insurance or their insurance is insufficient to cover your loss



Premium

- This is the amount paid for the insurance policy
- A teen's premium will be much greater than a driver 35 years of age



Factors Used to Establish Rates

- Premiums are determined by statistics—the probability of loss
- Accidents and traffic violations
- Marital status of the principal person insured
- Age—drivers under 25 are more likely to have a crash
- Use of car—commute or pleasure
- Male or female
- County where you keep your vehicle
- Type of car
- Driver's claim record
- Good student discounts



Deductible

- This is the amount of loss the policy owner will assume before insurance pays for a loss
- The amount of deductible that is chosen can make a difference in the cost of the insurance premium that must be paid



Insurance Shopping Tips

- Decide before shopping what coverage and deductibles are needed
- Choose the highest affordable deductible to lower premium
- Rates vary widely—ask several companies and agents for quotes for the same coverage



Montana's Insurance Requirements

- In Montana, liability insurance is mandatory (except for motorcycles)
- Must be in effect whenever the vehicle is operated
- The insurance card must be shown upon demand by law enforcement



Liability Insurance



Montana's Required Liability Insurance



- **\$25,000** Bodily injury or death of one person in any one accident
- **\$50,000** Bodily injury or death of two persons in any one accident
- **\$10,000** Injury to or destruction of property of others in any one accident



Montana's Vehicle Insurance Laws

Lack of a liability insurance policy is a misdemeanor with the following consequences:

- A fine of not less than \$250, not to exceed \$500 or by imprisonment in the county jail for not more than ten days or both can occur
- Five points against the driving record
- A second or subsequent offense is punishable by a fine of not less than \$350, imprisonment in the county jail for not more than ten days or both
- The suspension of the license plate and registration for 90 days (180 days for a third or subsequent offense)



Determine Insurance Cost

The cost of insurance is based upon a number of factors:

- Age
- Sex
- Marital status
- Driving record
- Where you live
- The number of miles driven to school or work
- The number of miles you drive annually
- The type vehicle, how old it is and its value



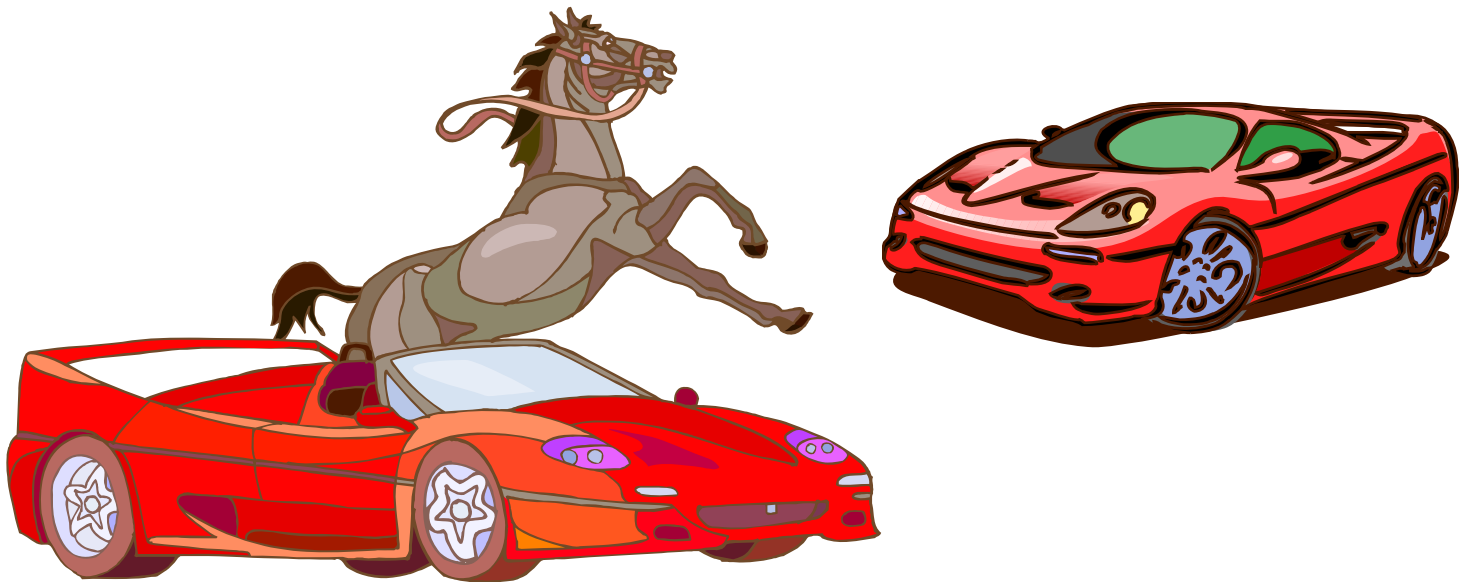
Determine Insurance Cost

- Low risk drivers will typically pay less
- Teens are considered a high risk and the policy will cost more
- Teens are usually added to an adult's insurance policy which raises the cost of the policy



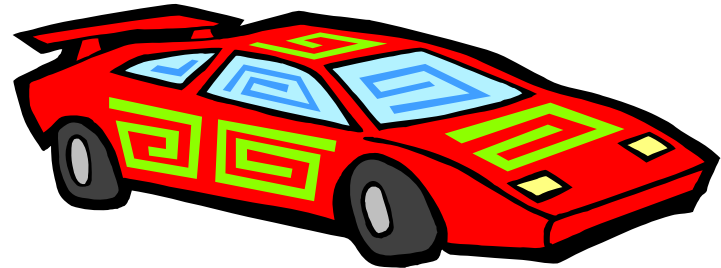
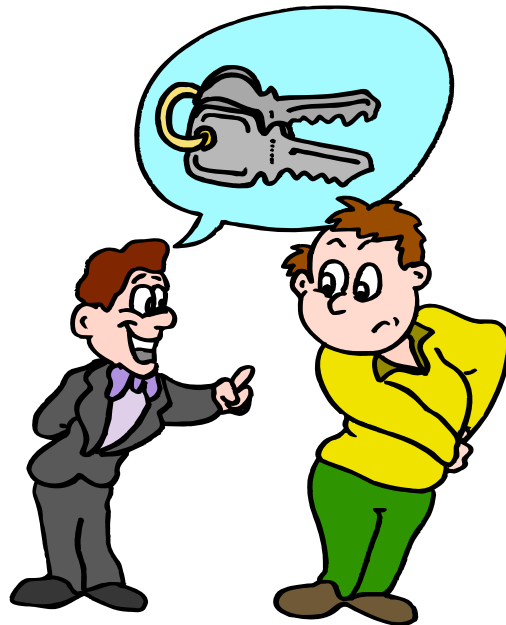
Determine Insurance Cost

- A “muscle” car with a high risk for theft will cost more to insure
- A teen can expect the policy to increase 20% to 30% for each accident or citation added to their driving record



Determine Insurance Cost

- If a vehicle is loaned to someone and they cause a crash, your vehicle insurance will most likely pay the claim and it will become part of your claim history
- If a vehicle has a special paint job like flames, murals, five-layer paint with pearl, etc., it will probably be cause for special coverage and increased premiums



Denied or Revoked Insurance

- If a driver is involved in an accident, his/her license and registration can be suspended if found liable for damages in a court of law and failed to pay the fine within 60 days of the judgment
- The suspension is automatic and remains in force until the judgment is paid or for the next six years



Denied or Revoked Insurance

- If the vehicle is not insured, the driver will be given five “conviction” points on his/her driving record
- When 30 conviction points are earned within three years, the driver is considered a “habitual offender” and can be subject to jail time, license suspension for three years and a fine



High Risk Drivers

- Each company has its own rules, called *underwriting guidelines*, for deciding whether to insure people
- The following factors may cause an insurance company to deny an application
- Tickets and accidents
- Owning a car built for speed
- Driving record
- Credit rating



Policy Cancellation

- In the first 60 days, the insurance company can cancel for any lawful reason, including a ticket or an accident
- After the policy is in effect more than 60 days, *a company can cancel* for the following reasons, but must give notice before canceling, and refund the unused portion of the premium
 - Failure to pay premium
 - Filing a fraudulent claim
 - Driver's license is suspended or revoked

(This also applies to other drivers who live with policyholder and customarily use policyholder's car)



Insurance Cancellation

- Failure to pay premium
- Filing a fraudulent claim
- Driver's license is suspended or revoked

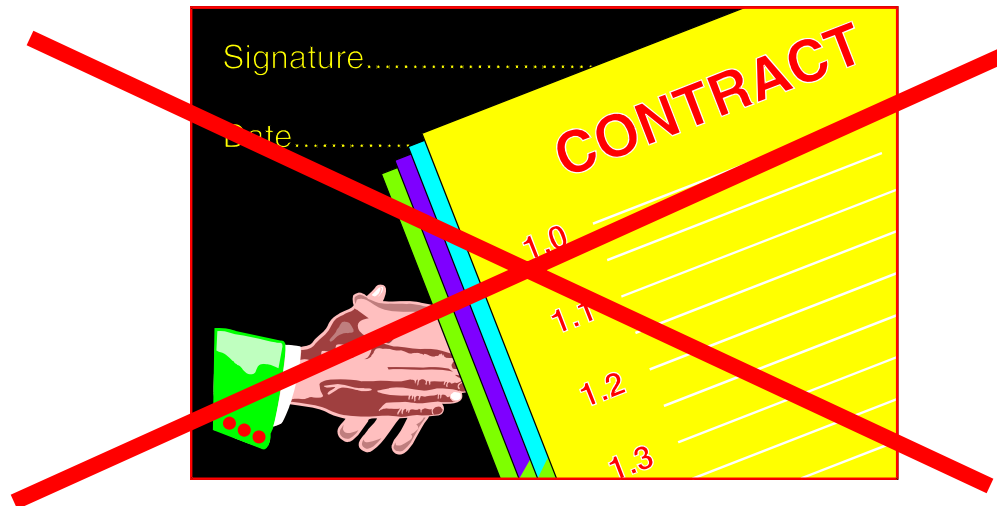
(This also applies to other drivers who live with policyholder and customarily use policyholder's car)

Insurance Cancelled



Non-Renewal of Policy

- Your insurance company can choose not to renew your policy for a variety of reasons
- Insurance is a contract that can be terminated by either party
- An insurance company must give you at least 30 days notice of non-renewal
- It is unlawful for an insurance company to discriminate and refuse to renew a policy for certain reasons



Report Damage to Insurance Agent/Company

- To help policyholders make a claim insurance companies have 24 - hour help lines
- After the call is made, expect to be sent an accident report form to complete
- Don't take your car in for repairs and hope they'll be paid for
- Your insurers need to agree to pay your car's repair costs, and until then, any repair costs are your responsibility



If the Claim is Rejected

- There are circumstances where you may in fact have the legal right to be reimbursed for your loss even though the insurer refused to pay the claim
- Although you can sometimes make this judgment yourself, it is sometimes a good idea to get legal advice
- If the claim is rejected ask your insurer to identify specifically the clause of the contract on which they rely



Is Making a Claim Worth it?

- Policy may have an excess clause that indicates excessive claims
- Is the amount of the claim worth the effect on rating or no-claims bonuses?

